Q & A

Minnesota's Second Generation CREP Proposal

Our land. Our water. Our way of life.

1) Q. What is the Conservation Reserve Enhancement Program (CREP)?
A. CREP is a voluntary federal program that pays landowners to set aside environmentally sensitive agricultural land or marginal cropland and convert that land to native grasses, trees, or restored wetlands. CREP combines the federal Conservation Reserve Program (CRP) with the state's Reinvest in Minnesota (RIM) Reserve Program.

2) Q. Where is CREP being proposed in Minnesota?
A. Governor Pawlenty has proposed a second generation CREP for three targeted areas in Minnesota (the Red River Watershed in the northwest; the Lower Mississippi River Watershed in the southeast; and the Missouri River and Des Moines River Watersheds in the southwest). The application has been submitted to the U.S. Department of Agriculture, which oversees the program at the federal level.

Minnesota's first CREP focused on the Minnesota River watershed. That initiative began in 1998 and ended in 2002, when the 100,000-acre goal was achieved. The Minnesota River CREP was the second CREP in the nation.

3) Q. What are the benefits of CREP?
A. CREP provides significant water quality, water storage, soil erosion, and wildlife benefits. When fully implemented, CREP protects lakes and waterways, and substantially reduces field runoff of sediment, agricultural chemicals, and nutrients. CREP also increases the water storage capacity of watersheds through wetland restorations and establishment of permanent vegetative cover. Restoring native vegetation increases natural diversity and the population of many species, including pheasants.

4) Q. What are environmentally sensitive lands? What are marginal croplands?
A. *Environmentally sensitive lands* include:

-Sensitive groundwater: lands where there is significant risk of groundwater contamination from activities conducted at or near the land surface;

-Riparian lands: lands adjacent to waterways, drainage systems, or locally designated priority waterways identified in a comprehensive local water management plan;

-Wetland restoration areas: lands containing legally drained wetlands that are feasible to restore to their pre-drainage condition.

Marginal agricultural croplands include lands that are classified as highly erodible (composed of class IIIe, IVe, V, VI, VII, or VIII land as identified in the land capability classification system of the United States Department of Agriculture) and have a cropping history prior to the date of application.

5) Q. What lands are eligible?
A. First, only land within the boundaries of the three targeted areas is eligible. Additionally, land has to have a crop history (planted 4 of the previous 6 crop years from 1996 to 2001) and owned or operated for at least 1 year prior to enrollment. Easements must be located within riparian zones, restorable wetland areas, sensitive groundwater/wellhead areas, or highly erodible lands. *Eligible lands must fall into areas that have been identified and targeted as existing local priorities.*

Projects that meet eligibility requirements but are more than 120 acres in size are not automatically enrolled. These larger parcels are subject to further review by local FSA and SWCD boards. This review process was added to ensure that all acres enrolled in larger projects are necessary to obtain environmental benefits.

6) Q. What's the real problem?
A. Lands farmed adjacent to water contribute significant pollution to the state's waters. In addition, the intense farming has resulted in loss of wetlands and native grassland areas. Here are few water quality examples from the three areas:

- In the Red River Basin project area, the Minnesota Pollution Control Agency has identified 15 river or stream reaches as impaired (impairments include turbidity, nutrients, and bacteria with reach lengths of 10 to 100 miles). High concentrations of fecal coliform (exceeding the state health standard of 200 organisms per 100 ml) have been documented in several reaches of the Red River.
- In the Mississippi River Basin project area, data from more than 600 water samples from 1997 to 2000 show stream concentrations on average are about twice the water quality standard. In the Whitewater River Watershed, a 1996 assessment indicated that 68 percent of sediment in the river came from sheet or rill erosion (largely from agricultural fields).
- In the Missouri River and Des Moines River Watersheds, a total of 20 reaches have been identified as impaired. Of the 20, two reaches have been documented for exceeding the state's standard for ammonia nitrogen (.04 mg per liter). Nine reaches have been documented for exceeding the state's standard for fecal coliform.

7) Q. Can't Minnesota wait?
A. There is a limited balance of acres (5 million) available at the federal level for programs that fall under the CRP umbrella (including CREP). As states submit applications or ask for extensions, the competition for those acres increases. The present Farm Bill provides a limited opportunity for Minnesota to take advantage of significant federal dollars to help the state address water quality problems. There is no guarantee that CREP (or any other programs that fall under the CRP umbrella) will be included in any subsequent Farm Bills.

8) Q. How does the program work?
A. A prospective landowner has to meet the basic eligibility requirements for CRP and RIM. He or she can enroll in a 15-year CRP contract and a RIM easement of 35 years or perpetual in duration. A landowner has to enroll in both CRP and RIM to be eligible for CREP. In return, the landowner receives annual land rental payments and a one-time easement payment, plus cost-share assistance to install conservation practices. A landowner typically pays no costs to install conservation practices.

A conservation easement involves the acquisition of specific rights by the state for conservation purposes. Landowners who enroll in a conservation easement receive payment to stop cropping the land, and in turn, must initiate and maintain conservation practices established on the easement area.

9) Q. What easement options are available under the Governor's proposal?
A. Landowners can choose either 35-year or perpetual easements, which would begin after the 15-year CRP contract expires. By state law, a wetland restoration must have a perpetual easement. The Governor's proposal also includes an option in the southeast for a 15-year CRP contract for land in rotation contour strip.

10) Q. Is it important to have a permanent easement option for farmers?
A. Permanent easements on critical lands help protect the long-term integrity of public water supplies and the long-term restoration of our impaired waters. In addition, permanent easements ensure that taxpayers pay for this restoration and protection of the state's critical water resources only once, rather than time and time again.

Of course, permanent easements aren't for everyone. The conservation toolbox provides an array of choices for a landowner (Minnesota's proposed CREP: 35 year and permanent easements; Continuous Conservation Reserve Program: 10 to 15-year contracts; and Regular CRP: 10-year contracts). Landowners should judge their long-term risk accordingly and decide what's best for their operations.

11) Q. Once the land is enrolled in CREP, does a landowner still own the land?
A. Yes, the landowner still owns the land. This program allows landowners to make conservation decisions that can make a tremendous impact, while still retaining ownership of the land that gets enrolled. CREP keeps working lands working.

When a landowner enrolls in an easement, he or she agrees to give up development rights to the land, agrees not to crop the land, and in exchange, install and maintain conservation practices on that land (including controlling noxious weeds). He or she must pay all taxes and assessments associated with ownership. The landowner controls all access to the property.

12) Q. If I have some land in CREP, does it mean that the public can access the land?
A. No. A landowner still controls all access rights, including hunting. He or she needs to properly post the land to still ensure no trespassing.

13) Q. What happens when CREP land changes owners? What happens with the easement?
A. Property that contains CREP land can be sold, but the easement stays with the piece of property. New owners are required to comply with the conditions of the CRP contract and the RIM easement.

14) Q. How is land enrolled in CREP taxed?
A. Lands subject to a conservation easement are still classified as agricultural land and may be placed in a lower tax category, but this really is up to the discretion of local assessors. County assessors are instructed by the Minnesota Department of Revenue regarding how to assess lands with conservation easements. It should be noted that when CREP lands are sold as recreational land, this can bring a higher tax assessment due to the increased sale price of the land. Landowners should consult with their accountant or attorney for counsel on this matter.

15) Q. What might a new CREP mean for the local economy?
A new CREP will mean a huge inflow of federal money to the three targeted areas of the state. One state or local dollar invested leverages $4 in federal money. Full implementation of CREP means $180 million in federal money coming into the state. Don't forget about the $46 million from the state. That's a significant boost to the local economy!

In addition, CREP creates wildlife habitat and increases recreation opportunities associated with this increased habitat. There is a tremendous economic benefit to local communities associated with the influx of hunters and others seeking recreation opportunities. Minnesota tourism generates almost $27 million in gross receipts/sales per day (Department of Trade and Economic Development).

Lands enrolled in CREP are marginal croplands, often subject to frequent flooding. These flood-prone lands have a drain on the net profits of landowners. Disasters related to floods put a strain on the state and local economies. CREP takes these lands out of production and significantly reduces the economic losses related to these lands.